THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (e) More than two-thirds of the imported crude in India comes from West Asian countries where prices are fixed at the Official Selling Price (OSP). The rest of the crude is procured on a spot basis through tenders floated by PSUs. Both OSP and tender price are guided by prevailing international oil prices. Public and private sector Oil Companies explore the possibility of tapping new sources of crude supply from different regions of the world on a continuous basis, particularly the Gulf, Mediterranean, Far East and West Africa and grades which are identified as suitable are imported subject to economic viability.

Currently, there is no well-developed Oil Products Market in Asia. There being well-organized petroleum and petroleum products markets in North America and West Europe, with West Texas Intermediate (WTI) and Brent (dated) as well-recognized markers, buyers in these markets often secure a discount not available to Asian consumer countries. In view of this, the question of the development of an Asian petroleum and petroleum products market was discussed at the first Round Table of Asian Oil Ministers on Stability, Security and Sustainability through Regional Cooperation in New Delhi on 6 January, 2005. Accordingly, a study on the development of an Asian petroleum and petroleum products market was proposed at the Round Table.

Dismal crude oil production

†2886. SHRI RAVI SHANKAR PRASAD:
SHRI RAM JETHMALANI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that inspite of abundance of crude oil reserves in the country for the last several years, no specific increase is being effected in its production;

(b) if so, the reaction of Government in this regard and the reasons for not raising the production; and

(c) the quantity of crude oil produced in the country during the years 2002-03,2003-04 and 2004-05?

†Original notice of the question was received in Hindi.

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) Crude oil production in the country during the years 2002-03,2003-04 and 2004-05 was 33.05, 33.37 and34.04 Million Metric Tonne (MMT) respectively. It may thus be seen that there has been a marginal increase in the production of crude oil during the past 3 years. Moreover, several important steps have been taken to increase oil production to meet the domestic requirements. These include the following:—

(i) improving the recovery factor from existing major fields by implementing Enhanced Oil Recovery (EOR)/Improved Oil Recovery (IOR) schemes; in particular, Oil and Natural Gas Corporation Ltd. (ONGC) have taken up 15 fields for this purpose at an estimated investment of Rs. 10,972 crore, which would also help in accelerating oil production from these fields;

(ii) increasing exploration efforts through the new Exploration Licensing Policy (NELP); Under the four rounds of NELP, Production Sharing Contracts (PSCs) have been signed for 90 blocks. The Fifth Round of NELP has been declared open as of 4 January, 2005 to invite bids for 20 exploration blocks; The bids close on 31 May, 2005.

(iii) exploring new areas, especially deep waters and difficult frontier areas, as also the deeper layers of already producing fields;

(iv) developing newly discovered fields speedily and stepping up the use of new technologies for seismic surveys, work over, stimulation operations, drilling of wells etc. in producing areas; and

(v) acquiring acreages abroad.

Investments in Russian energy sector

2887. SHRI GIREESH KUMAR SANGHI:

DR. T. SUBBARAMI REDDY:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Russian Government has approved the modalities for the merger between the State-owned oil company and the natural gas